

APPENDIX D

AWPSE Helps Users

In General

AWPSE is, in effect, a robot residing in a website that may be programmed to enter data into such website's database and/or computer and create, distribute and maintain documents, databases, work-products, etc. with simultaneous access thereto by multiple users/locations with viewing and/or data-control ability. All such documents, work-products, etc. may be transmitted as emails.

The Reader should read Chapter 1 to understand the motivations for AWPSE to provide a better and cheaper product or service in a fair manner. Every effort has been made to maximize the usefulness of such work-products and effectively eliminate any user liability. Each work-product (a) asserts that the actuary is a fiduciary with respect to such work-product and (b) contains a link to a PDF of the actuary's Lloyd's E&O Declarations Page.

Each of the following entities will find ways by which AWPSE may be used to help it in a practical way:

- Accountant
- Actuary
- Attorney
- COBRA Administrator
- HMO
- Insurer
- Intermediary (MGU, e.g.)
- Personnel
- Plan Sponsor
- Practitioner (Broker, Consultant, Risk Manager, e.g.)
- TPA.

All of the entities will find Appendix B (Employer Database) useful in some significant way(s).

Accountant

The accountant might consider (a) offering a risk/actuarial dimension to its clients as do many of the larger accountants, (b) using AWPSE to expand its auditing capabilities in risk-related areas, (c) using AWPSE for internal purposes only uses and (d) expanding the service and reducing operating costs The added professional dimension will upgrade

the stature of the accountant and may help with client-retention. Where the work-product is custom-designed for the accountant, the requisite programming may be provided by the software development firm affiliated with AWPSE.

Actuary

The actuary might use AWPSE in these ways or for these reasons: (a) the actuary (with a casualty or pension specialty) wishes to meet the needs of a client requesting a health work-product, (b) the actuary wishes to dominate in the (i) consulting and the (i) data-management area but looks to AWPSE for the computations thereof (similar to published tables of values), (c) use AWPSE as an added professional service that might help in client-retention, (d) use AWPSE for internal purposes only and (e) reduce operating costs. It is also likely that the actuary may not have the computer capability to provide those work-products that involve the more complicated techniques (Monte Carlo, e.g.). The actuary may also wish to consider leasing or re-labeling. AWPSE is available for custom-programming. The actuary executing the work-product will always retain the duty to edit the entered data.

Attorney

The attorney may find AWPSE useful in these ways: (a) providing work-products that may be suitable as items of evidence in either (i) developing or (ii) presenting litigation, (b) serving a client in confirming or challenging the decisions of others, (c) computing the IRS 1099 Form reportable amounts that result from either (i) discriminatory or (ii) self-employed benefits, or (d) using AWPSE for internal purposes only. AWPSE is available for custom-programming.

COBRA Administrator

AWPSE may be helpful to the COBRA Administrator in these ways: (a) producing actuarially-determined COBRA premium as part of its services, (b) broadening its scope of services to include risk and actuarial dimensions, (c) offering specially-designed work-products using its captured employer database, and (d) using AWPSE for internal purposes only. AWPSE is available for custom-programming.

Health Maintenance Organization (HMO)

The AWPSE work-products may help the HMO in these ways: (a) produce claim reserves with greater frequency than is normal (monthly, e.g.), (b) quantify funding levels, stop-loss terms, COBRA premiums, statistical ranges of estimated claims, Medicare Part D benefits, e.g. (c) use employer database to provide risk management consulting using specially-programmed work-products and (d) for internal purposes only.



Human Resource Consultant

Such consultant would find AWPSE helpful in these ways: (a) determining the relative value of different health care plan benefit designs (using Monte Carlo II, i.e.), (b) offering advice with respect to Medicare Part D (particularly as to the subsidy v. wraparound issue), (c) providing custom-programmed work-products that deal with such topics as (i) fringe benefits, (ii) payroll and pay scale matters, and (iii) employee handbooks and (d) for internal use(s) only.

Insurer

The discerning insurer may see that regardless of the wide range of actuarial talent available to either internally or externally (or both), having the menu of work-products so accessible will at times prove to be advantageous, if only for an independent computation. Then too, the insurer may see fit to pursue the concept of an employer database and perfect its underwriting practices. Typically the insurer will wish to rely on its own work-products necessitating custom-programming; such may be provided by AWPSE if requested. The insurer way also wish to use AWPSE for internal purposes only.



Intermediary

Almost all of the work-products, be they actuarial or administrative, can (or should) be of use and value to the intermediary. The new underwriting work-products that promote the new candidate benefits for self-funding way well be of great interest to the intermediary. Such intermediary way wish to have some work-products custom-programmed to meet its unique needs; if so, AWPSE can serve these programming needs. As with the other users, the AWPSE-provided work-products might be limited to internal purposes only.

Plan Sponsor

The Plan Sponsor, as represented by it attorney, risk manager, HR manager and financial officer will likely have an interest in some, or perhaps all, of the work-Products cited. The two major areas of interest are these: (a) confirming, backstopping, correcting and auditing the work provided by it vendors and (b) using the numerous risk-related work-products to perform a small-employer version of the Sarbanes-Oxley ERM disciplines. To these ends, the Plan Sponsor may request AWPSE to create custom-programmed work-products. The Plan Sponsor may limit its use the work-products to internal purposes only.



Practitioner

It is reasonable to group the consultant, broker and risk manager together because they so much in common: (a) they generally prefer to exercise needful control over a small block of business, and (b) they generally dominate the plan in a broad range of services and activities. That said, each such practitioner will find it useful and expedient to a user for all of the work-products set forth on the AWPSE menu. This would particularly include the administrative work-products and also those that might be custom-programmed for such practitioner. There typically is a natural affinity between the practitioner and risk-related topics.

Third Party Administrator (TPA)

The TPA is a natural user of the AWPSE work-products: (a) it has a favored position with the Plan Sponsor, (b) it has a natural proclivity to risk-related matters, (c) it is in most instances a fiduciary to the plan, (d) it has a meaningful interest and involvement with new self-funded benefits (LTD, death benefits, e.g.), (e) it will grasp and properly apply the newer concepts of cybernetics, information technology, etc. and (f) will predictably be strong players in health care plans after the health reform is in place. It is anticipated that TPAs will seek a variety of administrative work-products customized to fit their needs. The TPA, as with the other users, might elect to use the AWPSE work-products for internal purposes only.